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FAR EAST COMMAND
MILITARY INTELLIGENCE SECTION, GENERAL STAFF

CIVIL INTELLIGENCE SECTION

SPECIAL REPORT

SAIONJI-HARADA MEMOIRS

PART VI

"STEEL UNDER VELVET"

(15 Nov 1933 - 9 Feb 1934)
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GENERAL HEADQUARTERS
UNITED STATES ARMY FORCES, PACIFIC
MILITARY INTELLIGENCE SECTION, GENERAL STAFF

CIVIL INTELLIGENCE SECTION

THE SAIONJI - HARADA MEMOIRS
PART SIX: STEEL UNDER VELVET

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Chapter 106
(15 November 1933)

Aggressive Hirota

Translated by S/Sgt. Clyde S. Takechi

Later when I met the Minister of Justice, he said:

"Commander YAMAGUCHI (reservist) was involved in the Shimpei-Tai incident. Since the naval authorities had known this fact beforehand, they had placed him in the reserves long ago. However, he is finally to be put under arrest shortly. The naval authorities claim that except for YAMAGUCHI, no naval personnel were connected with this incident."

On the morning of the 10th, when I met the Navy Minister, he said: "The atmosphere within naval circles is very good because the decision on the 5th was unexpectedly light. With Lt. Comdr. OKAMURA, who is presently serving at Yokosuka, as their leader, persons who were the nucleus of the so-called radical movement gathered at the Suibunsha that night. Drinking a toast, they stated: 'The policy which the Navy must take in the future is to devote its utmost effort to naval affairs; and it is absolutely wrong to meddle in affairs as political or rightist tools. From here on there is nothing but to change our attitude and devote our utmost efforts to our duties.' Persons touring the naval stations and fleets are admonishing the young officers by reaffirming this declaration." According to the Navy Minister: "I wish to have this kept a secret. We are annoyed by the young Army officers who are trying to entice the Navy. However, we are taking the utmost precautions against the Army."

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Going back somewhat, on the morning of the 8th I invited Minister of Agriculture and Forestry GOTO, four bureau directors of the Home Ministry, the Director of the Social Welfare Bureau, Lt. Col. SUZUKI, KIDO and OKABE to breakfast at my home. Concerning the demand of the Army on internal affairs problems, I asked Lt. Col. SUZUKI, for an explanation of what the Army desires. His explanation was: "In general, it is sufficient that understanding of the present situation be correct. An urge to accomplishment will naturally arise if your understanding is correct. Therefore the desire is that you correct your understanding of it." The Minister of Agriculture and Forestry also spoke on various matters, and the Director of the Social Welfare Bureau, TANBA, explained a sort of outlying revolutionary atmosphere. Each bureau director of the Home Ministry spoke on certain matters, but otherwise remained silent. We parted after reaching a general mutual understanding.

On the evening of the 11th, I called on Minister of Agriculture and Forestry GOTO and listened to his general explanation of the conference of the so-called Cabinet Ministers' State Affairs Council. According to GOTO: "At the beginning it was decided that proper action must be taken in accordance with public opinion. The second meeting was held yesterday, November 10th. In general it dealt mainly with problems least connected with finance. However, to some extent budgetary problems were involved, so if the Finance Minister fails to attend meetings, matters cannot be settled. According to the actual situation, since the Government has participated in this problem, it must take proper action."

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It appears as though the military authorities have no definite plans to aid in the settlement of the problem. At any rate, the Government must do something about it."

That afternoon when I called on the Foreign Minister, he said: "Yesterday the British Charge d'Affaires called on me. He was concerned about the Osaka merchants who raised a considerable fuss concerning the Simla Conference. According to the British Charge d'Affaires: 'The British Foreign Minister, SIMON, also worried about this, brought the message from the Simla Conference with him. According to this message, until today the British Foreign Minister has taken the utmost pains to bring the Simla Conference to a successful conclusion. Fortunately, because of his efforts, the Conference has attained partial success. Therefore, I think that an agreement must be reached at this Conference. Such an agreement not only would improve commercial relations between Japan and Britain, but support our hope of maintaining friendly relations politically as in the past.' To this I (HIROTA) replied: 'I am in complete agreement. I will endeavor as much as possible to obtain favorable results,' and parted with the British Charge d'Affaires."

The Russian Ambassador called on the Foreign Minister, and with a displeased expression complained: "Nine Japanese planes flew over Russian territory. On November 3rd, two planes flew over it again." Foreign Minister HIROTA replied: "Since the relations between our countries at present are critical and since, under such conditions a slight affair has a tendency to become

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worse, I hope that you will not exaggerate such slight matters. Take for example the withdrawal of the American fleet from the Pacific; it has considerably alleviated the tension between Japan and America. Likewise, to some extent, Russia must take into consideration the effect of sending troops to the Far East. Also you have published a secret document of which you have taken possession. Such actions are very disagreeable. Previously you mentioned to me that you had some documentary proofs in hand. Didn't I say to you that I would like to see them? Also I told you: 'Negotiate with Manchukuo concerning the North Manchurian Project.' In spite of this, you published a memorandum several days later, and failed to show me the documentary proof. Why did you publish such a thing? Furthermore you have not proceeded with construction in Manchuria as yet. In any case, in order to better the relations between our countries, settle the Chinese Eastern Railway problem immediately." The Russian Ambassador replied: "Russians were arrested at Harbin. Have them released." To this, I replied: "If you mention such irrelevant incidents, the consequences will not be favorable." I added: "Particularly, remembering the bitter controversies between Japan and Russia in the past, let us prevent future dangers of war by limiting border defence." The Foreign Minister further added: "When LITVINOV goes to America he may speak ill of Japan. In order to arouse public opinion on these matters in the press, I gave the above statements to the newspapers. Regarding the China problem, an agreement was reached with the North China Government. However, the Nanking

Aggressive Hirota

Government brought this to Major General OKAMURA and asked: "Was HUANG FU (Head of the East China regime) killed?" This brought the Foreign Minister's statement to an end and I returned home.

According to the news of two or three days ago, MATSUOKA is thinking of joining NAKANO, Seigo (President of Kokumin Domei) and of having NAKAJIMA, Chikuhei also join them. For this reason I phoned NAKAJIMA on the morning of the 11th, wanting to confirm this. NAKAJIMA promised to call on me that morning at 10 a.m. According to NAKAJIMA: "I will have absolutely no connection with NAKANO and MATSUOKA. Assuming a cautious attitude and according to my own judgment, I will carry on calmly, so do not worry about me." He also informed me, as though he were studying various questions underlying the present administrative inefficiency, where the emphasis should be laid.

According to Lt. Col. SUZUKI, NAKAJIMA constantly urged SUZUKI: "Permit me to interview MATSUOKA." He indicated a purpose of utilizing the Army, using SUZUKI as a means of meeting MATSUOKA. It was said that Lt. Col. SUZUKI flatly refused NAKAJIMA.

On November 12th I went to Okitsu and made a detailed report to Prince SAIONJI. We touched on the subject of the view of old TANAKA, Koken regarding abolition of the post of Lord Keeper of the Privy Seal. In short, TANAKA is being taken in by some unreliable person. It was decided that I was to warn the Imperial Household Minister, by way of precaution, not to have any dealings with TANAKA. I returned home after completing my report.

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Chapter 107
(18 November 1933)

Farmers Demand Subsidies

Translated by S/Sgt. Clyde S. Takechi

On the evening of the 13th, I called on the Imperial Household Minister at the Imperial Household Ministry. I casually outlined the movements of Count TANAKA, Koken. The Imperial Household Minister said: "He (TANAKA) will probably call on me. I cannot refuse him when he calls on me. Therefore, I shall merely listen to his views. Of course, I will have no dealings with him." Furthermore: "It has come to my ears that His Majesty is rather displeased with the movements of Count TANAKA, Koken." He continued: "If by any possibility TANAKA actually relates this to His Majesty, there is absolutely no fear of His Majesty being influenced by him." This was the response of the Imperial Household Minister.

On the 14th, Lt. Col. SUZUKI called on me and said: "There are indications that the Minister of Commerce and Industry is resigning. I think that he has wild ambitions to become the president of the amalgamation of iron processing companies about to be formed. On the other hand, recently the Cabinet ministers are holding special meetings in regard to problems of internal affairs, and from some angle, particularly of those engaged in commerce and industry, are raising voices of resentment against agrarian preponderance. The newspapermen are saying that the Minister of Commerce and Industry is very displeased over these matters. Because of the fact that they are hinting

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the resignation of the Minister of Commerce and Industry in the near future, some persons are taking pessimistic views towards the future of the Cabinet. Also, at present the stock markets are insinuating that the Cabinet may collapse suddenly. KUHARA, for instance, is calling on big stock brokers, saying: "Sell your stocks at this opportunity because the Cabinet may collapse in a few days. Accordingly stock prices will drop," and hotly predicting the downfall of the Cabinet. At any rate, rumors are flying from all angles that: 'It may collapse on the 20th,' or: 'Possibly on the 11th.' There are ronin who are spreading rumors that the young officers are urging: 'By utilizing the problem of the reorganization of the Manchurian Railways, overthrow the Cabinet.' Therefore, the situation is not very pleasant."

I met the Minister of Commerce and Agriculture, NAKAJIMA, on the 15th. I said to him: "There are extensive rumors that when the Joint Iron Manufacturing Company is formed, you have an ambition to become the president of the company and resign your post. For this reason the Cabinet may collapse." NAKAJIMA replied: "I have heard about this from the War Minister. Moreover, I heard that Lt. Col. SUZUKI remarked: 'When the Joint Iron Manufacturing Company is formed, NAKAJIMA is most suitable for the post. Accordingly, NAKAJIMA may resign his post.'" He added: "I positively will not resign. Even if the company is formed, by any chance, it cannot be formed before the end of the year. Also, I have not made any comment against agrarian preponderance."

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I returned home after exchanging views on other subjects with the Minister of Commerce and Industry.

Once again, on the morning of the 16th, I had breakfast with the Minister of Agriculture and Forestry, GOTO, four bureau heads of the Home Ministry, the Director of the Social Welfare Department, Lt. Col. SUZUKI, and KIDO. As usual we spoke on various matters. The bureau heads said: "It is impossible to amend the election laws during this Cabinet." They added: "Even if the existing political parties should hold a meeting by summoning members, there is no possibility of the reformation of the parties."

When I met the Premier on the 18th, he said: "The reason for the call of Count TANAKA, Koken on me was his desire to say: 'In connection with my various movements and plans for the abolition of the post of Lord Keeper of the Privy Seal, it is annoying to be misunderstood as having connections with the rightist groups. Please do not misunderstand me.' Moreover, other than a reference to the Prince ARISUGAWA incident, that is, the circumstances prior to and after the tenure of former Imperial Household Minister ICHIKI, and the fact that he said: 'Prince HIGASHIKUNI is a very intelligent person, but be very careful because he may be very harmful according to the position in which he is placed,' and: 'I desire the resignation of MAKINO as an individual, but not the abolition of the resignation of MAKINO as an individual, but not the abolition of the post of the Lord Keeper of the Privy Seal,' there was nothing of importance."

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"At the budget conference, the Finance Minister merely outlined the general plans, therefore, negotiations with the ministries concerned will take from a week to ten days or more. Another meeting will be held in the near future. At this meeting I intend to have them adopt a policy to settle internal affairs, that is, the agricultural problems."

That afternoon when I met Finance Minister TAKAHASHI, he said: "It is a tremendous budget, and in regard to the Army and Navy estimates I attempted to reduce each unit price in the sum demanded by half. It seems that the Army and Navy submitted their estimates according to the prices of 1917. After an investigation, it was ascertained that the commodities could actually be obtained at half that price today. Therefore, the general principle was adopted of estimating each item of expenditure by reducing the unit price by half."

"Concerning agricultural problems, the sum demanded by the Minister of Agriculture and Forestry for agricultural relief is huge. He should instruct the farmers that by lightening their burdens, or by averting wasteful expenditures, in short by checking expenditures, there are means to carry on without great expenditures. In the case of the previous HARA Cabinet, regional expenditures were very large; therefore, it is most undesirable to grant agricultural subsidies. We were put to great trouble chiefly because the outlay for educational and engineering works was excessive. When local authorities asked the Government for agricultural subsidies, Premier HARA thought it necessary to decline their request, and intended to reject their demands;

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however, because of party interest he could not do so. Accordingly, by granting subsidies amounting to ten million yen, he concurrently carried out an improvement of the educational system. He did not grant subsidies to cover the whole cost; he furnished ten million yen on the one hand, and on the other carried out educational reforms and planned to lighten the agricultural burden. Two or three days ago, approximately three hundred persons representing the heads of towns and villages called on me and said: 'We want to meet you by all means.' I said that I couldn't meet them and sent the Finance Vice-Minister out. However, about fifty of them called at my official residence, insisting: 'We want to speak to you by all means.' So, assembling them, I spoke to them for about two hours. I said: 'On the one hand, the entire Japanese people are in a militaristic mood because you are preaching to them on the perfection of national defence. On the other hand, you are demanding means for agricultural maintenance because agriculture cannot maintain itself in this situation. You are building a gap to induce contempt of other countries. Give up such an attitude and take a mental attitude of self-reliance for regeneration.' To this they replied: 'We are being ordered by the prefectural offices and also receiving unreasonable demands from the Ministry of Education. It is unbearable to be in such a dilemma between the officials and the farmers.' After I explained the situation and suggested means to take measures against it, they left, satisfied with my instructions.

"When I spoke of this incident at the Cabinet

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meeting, War Minister ARAKI who was nearby said that the spirit of the farmers was not firm. So I told ARAKI: 'On every occasion you indiscriminately use the term 'spirit'; whatever does 'spirit' mean? In truth the spirit you are talking about is in essence the positive intention for labor and construction. It is sufficient to have in mind positive intentions for labor and construction, and to have this in mind is most important. You indiscriminately emphasize the word 'spirit' but spirit being an abstract thing cannot be understood.'

"I heard that a Colonel KOBAYASHI, Shinjuro invited approximately three hundred representatives of the heads of villages and towns to the Tokyo Kaikan. He advocated disapproval of political parties and made a strong speech. He said: 'Martial law will soon be proclaimed, etc.' I questioned ARAKI: 'This KOBAYASHI, isn't he your henchman?' Although ARAKI replied: 'No, he is not,' a mere army colonel (a reservist at that), to be able to invite so great a number of persons must be financially backed. However, whom he is backed by, I don't know. It is quite certain he has financial backing.'"

In regard to the budget, he (TAKAHASHI) added: "The ministers of all departments, losing sight of their position as ministers of state, and taking the attitude of an administrative official of their respective departments, are squabbling over each other's estimates. It is really unbecoming behavior. At some occasion in the near future, I will reproach them, asking: 'Have you forgotten your positions as ministers of state?'"

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On the night of the 17th, TANI returned from Manchukuo. When I met Councillor TANI he said: "The atmosphere in Manchuria is very calm. Naturally, the Kwantung Army in Manchuria has no intention of fighting Russia at present. Everyone is cooperating in a united effort. Because of the many alarming rumors coming from Japan, the sole topic of conversation was that a revolution may arise at any time in Japan."

I was absent from Tokyo from the 19th to the 20th. On the morning of the 20th I met the Prince and made a general report on the foregoing matters. During our conversation the purge promotion movement of Viscount KANEKO was brought out. The Prince stated: "Some time ago, Viscount KANEKO called on me and said: 'The compilation of Emperor MEIJI's biography is, in short, to publicize the virtues of Emperor MEIJI.' The attitude taken by the author of the Emperor's biography completely differs from the attitude I would take in compiling it. Such a thing as to publicize the virtues of the Emperor should be done, but rather we should inquire into facts and complete an authentic biography by which future historians can realize what a high character Emperor MEIJI was. Thus, the virtues of the Emperor can be glorified for the first time. In essence, it is a great error to compile a biography with an intention to publicize the virtues of Emperor MEIJI. His (KANEKO's) opinion completely differs from ours. Furthermore, in regard to the purge promotion movement, it is a very mercenary affair."

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Chapter 108
(7 December 1933)

Budget Troubles

Translated by S/Sgt. Clyde S. Takechi

When I called on the Minister of Justice on the 25th, he said: "The Go-Stop Incident (affair between the Army and the police regarding traffic regulations) was finally settled. The reason for a quick settlement was that during the Grand Maneuvers the War Minister was perplexed when questioned by the Emperor on this incident. It was revealed that Lt. KURIHARA of a Tokyo Regiment and Lt. OKURA of a Chiba tank unit were connected with the plot to assassinate President SUZUKI (Seiyukai at Kawagoe, Saitama Pref.). This plot was revealed as the result of investigating an orderly. However, it appears as though both lieutenants were against the assassination plot, although they were connected with those who planned it. This incident is under investigation. It is impossible now to guess how far the investigation will be carried."

On the afternoon of the 25th, the Minister of Agriculture and Forestry called on me and said: "I believe that the coming budget will raise great difficulties. I talked this situation over with TAKAHASHI. However, his basic views towards agriculture differ from mine: our disagreement presents a very difficult problem. At any rate we must not permit any optimism."

When I called upon the Finance Minister with nothing special in mind, he said: "The Navy is taking a very firm attitude. In regard to reducing the unit prices by half, the Navy is opposing me stoutly. How-

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ever, I have received various anonymous letters and letters of encouragement concerning this matter. Citing some of the anonymous letters, he quoted: 'They placed orders with the Nippon Steel Pipe Company, but goods of better quality can be manufactured cheaper by small mills at two-thirds of its price.' I received an anonymous letter enclosing evidence that the Navy is allowing one hundred thousand yen to small companies and ordering them: 'Expand your factories,' and stating: 'Favoritism is involved.' Furthermore, in regard to this matter, it stated: 'It is an excellent idea to reduce unit prices by half.'

"At the time of the London Treaty revision, in 1935, it is the aim of the Treaty to permit construction of new battleships for the first time. In spite of this, our Navy, perverting the aims of the Treaty, and interpreting it in our favor, are planning completion of the ships before revision takes place. Then the ships in hand must be disarmed in compliance with the Treaty, and construction of new ships undertaken. However, before the ships are disarmed, there will come a period when, from the standpoint of the Treaty, an excess of strength will exist, contrary to the Treaty. In short, this is a violation of the Treaty. Why should I accept a budget which is a violation of the Treaty?"

With a very bad impression of the Minister of Agriculture and Forestry, he said: "By instigating rural communities, he is arousing various movements. His actions are intolerable." I (HARADA) said: "I think that the Minister of Agriculture and Forestry has no hand in this. It is true that the Army has stimulated

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the rural communities, but I cannot accept the charge that the Minister of Agriculture and Forestry instigated such movements." To this he replied: "Yes, he too must have stimulated the farmers in like fashion," as if to say that the Minister, conspiring with the Army, or with the support of the Army, instigated this movement.

Later I called on the Premier, saying to him: "The impression that TAKAHASHI has of Minister of Agriculture GOTO is very unfavorable." I also spoke to him in regard to the Navy. On the following morning I called on General ABE and inquired into the situation of the Army. At the same time I asked him: "If today, by any chance, the Governor-General of Korea, General UGAKI, should enter upon a political career, what attitude would the military take?" He replied: "This is not an opportune moment for General UGAKI to participate in politics." I spoke with General ABE until 11:30 A.M. and left for Okitsu on the one o'clock express 'Fuji'.

I arrived at the Prince's residence about 4:30 P.M. I immediately reported the conditions prior to the opening of the Cabinet meeting to discuss various appropriations. And when I conveyed General ABE's statement to the Prince, he said: "Since it is Premier SAITO, he is capable of settling existing problems. As for myself there is nothing but to watch silently." Among the Prince's statements was: "Lately the newspapers and magazines are carrying various articles criticizing the ministers. For instance, such and such a minister completely lost face, or there were comments on a certain affair affecting such and such minister's honour. However, the ministers of state, who have a heavy responsibility to

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assist the Emperor, should execute their duties. They would be of doubtful value if they were concerned only for their prestige." In regard to Minister of Agriculture and Forestry GOTO, he said: "Although he may insist upon matters, if he cannot settle the agricultural problem it would be better if he does not make any statements that would support the points of criticism of the young officers. He must stoutly insist: 'I will be put to great trouble,' otherwise, it will be of disadvantage to GOTO. As men with great responsibility, all politicians should likewise take this attitude."

On the morning of the 27th I caught the 6:00 A.M. train and arrived home at 10:30. While at home I received a phone call from the Minister of Agriculture and Forestry: "I want to meet you." When the Minister arrived, I conveyed to him the Prince's advice, saying: "This statement was made to me, although I was not required to convey it to you. However, I shall give it to you as reference," and in addition: "The Prince stated: 'We must all endure it.'" I listened to various opinions of the Minister of Agriculture. He said: "The Finance Minister flatly refused to hear my opinions. I am very much concerned over it."

I also met the Foreign Minister and discussed the political situation. In the afternoon, hearing that Lt. Colonel SUZUKI was ill, I called to inquire about his condition. INOUE also called on SUZUKI. We discussed various matters; according to Lt. Colonel SUZUKI, the War Minister is endeavoring to settle the budget problem.

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On the following day, the French Ambassador presented his credentials to the Emperor and received the honor of dining with His Majesty. Just at that time I appeared at the Imperial Palace and met the Lord Keeper of the Privy Seal and the Grand Chamberlain. KIDO was to meet the Lord Keeper of the Privy Seal and the Grand Chamberlain; however, KIDO was taken ill at that time, so I met them in his stead. I advised the Lord Keeper of the Privy Seal that the budget problem was quite critical. At the Court dinner, the Emperor said to Foreign Minister HIROTA: "Convey to the Premier that I desire to have him settle the budget problem because of the present situation." Immediately on returning, the Foreign Minister called on the Premier and conveyed the Emperor's desires to him. Later when the Foreign Minister had an audience with His Majesty, he received a similar request. Therefore the Premier normally would proceed to the Imperial Palace and make some explanation on this problem. However, according to the gracious words of His Majesty: "On the contrary it would look conspicuous if I summoned the Premier under the present situation. The responsible persons may be put to great trouble." The Grand Chamberlain called on Premier SAITO at his residence about 7:30 P.M. on the 30th, heard a complete report regarding the budget for approximately thirty minutes, and reported this to the Emperor.

Early on the following morning, the Premier called on the Finance Minister at his residence and conveyed the Emperor's solicitude. The Finance Minister, with the intention of settling this problem immediately, agreed to furnish ten million yen. However, concerning

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these problems, it must not be made to appear that the Cabinet is relying on the Emperor; this is what Premier SAITO is absolutely trying to avoid. I merely told the Finance Minister the fact that it caused the Emperor a great deal of solicitude. Moreover, there is no evidence that anyone planned, nor implemented a plan, to use this as an instrument of policy. The Premier, greatly concerned over it, conferred with Home Minister YAMAMOTO. The Home Minister, also greatly concerned, said: "Formerly when I was Finance Minister of the SAIONJI Cabinet, it was decided, in regard to the budget problem that it is not sound from the standpoint of relations between the Finance Ministry and the other ministries to make small allowances according to the demands of the ministries for restoration of the original budget. Therefore, the Cabinet originally presented a clear-cut and complete plan, forbidding the Finance Ministry to allot more than the plan provided. However, this plan was attacked from various sources, e.g. Home Minister HARA. When I consulted Prince SAIONJI on this matter, he said: 'That is fine.' Upon this reply, I was at my wits' end because I was forced to draw an estimate with a sum of only three or four hundred thousand yen available. By appealing to Baron ISHIMOTO, Shinroku, who was the War Minister at that time, I managed to obtain three or four million yen which were transferred from the Army, and barely secured approval of the budget. YAMAMOTO, recalling this, told the Premier: 'I should like to have the demands of the bureaus transferred from the extraordinary appropriations for the Manchurian Incident.' At the same time he said: 'At that time, let the War Minis-

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ter satisfy his honor in all matters." The Premier, agreeing with his (YAMAMOTO's) plan, met the War Minister on the night of the 29th and outlined the above proposals to him. The War Minister immediately agreed with YAMAMOTO. At three o'clock of December 1st, the Premier once again called on the Finance Minister and conveyed this to him. The Finance Minister also agreed with it and transferred ten million yen to the Navy from the Army on the morning of the 2nd. Five million yen are to be utilized after the results of the domestic administration meeting, and the other five million yen are to be obtained through national deficit bonds.

The demands of the Minister of Agriculture and Forestry were not included. However, the reason for this was that the Finance Minister insisted: "At present, rather than to meet the demands of the Minister of Agriculture and Forestry it would be appropriate to await the results of the domestic administration meeting and then satisfy his demands," and deliberately did not furnish the latter five million yen. The Finance Minister, at the Cabinet meeting of the 2nd, insisted: "To issue national deficit bonds would not only be unfavorable, but by over-issuance of bonds, it would put the middle class in a depressed condition and gradually weaken the reliable elements of the nation. We must prevent over-issuance of bonds for the future of our nation." Severely cautioned on his statement, he finally said: "It is inevitable, therefore, I shall approve the issuance of the five million yen national deficit bonds." In conclusion, the Minister of Agriculture and Forestry, taking the stand, said: "Although my demands were not

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included today, please give full consideration to them at the domestic administration meeting." Home Minister YAMAMOTO, taking the middle road between the two opinions, said: "I should like to satisfy the demands of the Minister of Agriculture as much as possible in the coming domestic administration meeting." The meeting came to an amicable settlement and approval of the budget was obtained.

During the confusion of the budget meeting, various activities were carried out. As usual the associates of KUHARA and HATOYAMA were quite confident of the collapse of the Cabinet. According to various informants, Minister of Education HATOYAMA also believed in this. When INUKAI, Ken called on me, he said: "HATOYAMA is saying: 'The Cabinet will soon collapse,' and if the Cabinet should collapse, HIRANUMA, anticipating that the Emperor may order either himself or the Seiyukai to organize a new Cabinet, called on the Seiyukai and said: 'If I should receive the order, I request your (Seiyukai) full support.' HATOYAMA's views also are very questionable." It seems as if INUKAI was quite disgusted with HATOYAMA's attitude.

In connection with the formation of the new budget, various activities were taking place also within military circles. In spite of this, the fact that the War Minister exerted his full efforts towards the solution of the budget problems, led intellectuals in general to pay their full respects to the War Minister.

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Chapter 109
(13 December 1933)

People vs. Army

Translated by S/Sgt. Clyde S. Takechi

On the afternoon of the 5th the Domestic Policy Conference was held on schedule. However, during the course of the morning, an ordinary Cabinet meeting was held. At the conclusion of the Cabinet meeting, the Foreign Minister, taking the stand, said: "From the viewpoint of trade with Japan, as a counter-measure to the exportation of Japanese merchandise, the United States and European countries in unison increased tariff rates. In short, this is a measure to put Japan in an isolated position. Therefore, I desire that the bureaus concerned give full consideration to this matter." However, Finance Minister TAKAHASHI said: "The fact that foreign nations in unison are taking a defensive attitude toward Japan does not arise simply from trade relations. The anti-Japanese attitude which appears in trade relations is merely superficial. The fact is that the Japanese Army and Navy are claiming that 1935 and 1936 will be critical years, and conducting propaganda in the rural districts and cities as if we are on the verge of war with Russia and the United States. At present, when the United States and European countries are endeavoring to conduct matters peacefully as much as possible and trying to avoid wars with every possible means, the pro-war atmosphere of Japan is creating a very bad feeling in diplomacy, and this appears in trade relations. For these reasons the military must use prudence in their speech and actions. There will be

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no such crisis in 1935 and 1936." The War Minister, turning pale with anger, replied: "That is not true. There will be a crisis. The military have no intention of starting a war today. However, we must make preparations." It appeared as though a hot argument would take place but the Home Minister said: "Let us drop this matter." Due to Home Minister YAMAMOTO's words, the argument was quelled. According to the Chief Secretary, he was very concerned over the domestic administration meeting which was held that afternoon. However, contrary to his worries, it ended with Finance Minister TAKAHASHI agreeing to the objectives of the Minister of Agriculture and Forestry, GOTO. At this meeting they did not refer to the budget problem, and the third meeting was brought to an end without any mishap.

Expecting Councillor TANI and Assistant Governor-General (Kwantung) ENDO, Ryusaku on the morning of the 8th, I invited Admiral KOBAYASHI, President ONOZUKA of Tokyo Imperial University, Vice-President FUKAI of the Bank of Japan, and Viscount OKABE to breakfast and we discussed various matters. TANI and ENDO stated that Manchukuo is progressing satisfactorily. They have a genuine desire to establish Manchukuo as a fine independent country, and furthermore, officially to confer the Imperial title (PU-YI) on March 1st. The constitution and the constitutional by-laws are to be promulgated after further study. At the request of Ambassador Plenipotentiary (Manchukuo) HISHIKARI, TANI and ENDO are seeking approval from the Cabinet ministers and others to confer the title of Emperor. In regard to this matter, TANI and ENDO are seeking approval from

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the Cabinet ministers and others to confer the title of Emperor. In regard to this matter, TANI and ENDO, having approval of the majority, intend to return to Manchukuo in the near future.

According to the Vice-President of the Bank of Japan: "Several days ago a request, probably of military origin, was received which indicates the nature of the situation. I was asked: 'If ten million yen in bonds are to be issued, to what extent will prices rise? Also, can the people maintain the national strength. As just outlined, in regard to appreciation of prices in cases of emergency, study this statistically.' However, in case of war, in contrast with normal circumstances, these problems cannot be solved by studying them statistically. Regarding conditions in Germany from 1923 through 1935, for example, in desperation goods were purchased under the influence of panic, therefore, prices went sky-high. Prices rose practically without any ceiling. It is clear that such conditions bring about an absolutely unimaginable situation." Well, the various proposals are practically senseless, and the views of the military, preposterous. In fact, the intentions of President ONOZUKA and Vice-President FUKAI are to annex Manchukuo. It would relieve matters above all things if it becomes clear that the Government or the concerned authorities have an intention today to carry on with the policy of independence. This view, which we hold, also was expressed by others, so upon hearing the statements of TANI and ENDO, they were considerably relieved and pleased over it.

At any rate the voice of resentment against the

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Army from all circles has become very strong. According to the story of Baron OKURA, who returned from Manchukuo: "The fact that the War Minister declares so emphatically that: '1935 and 1936 will be years of crisis,' stirred up an uneasy atmosphere in Manchukuo. Moreover, even those who desire to trade with Japan refuse to trade because the situation of Japan after three or four years is uncertain. It is evident that their confidence toward Japan is declining." In general the speech and actions of the military today are very alarming. Until today the public reserved its opinions, in fear of the military, but we greatly fear that the military may become now an object of common hatred because it has carried things to extremes, not knowing when to stop.

Since the voice of resentment from various circles reflected on the military, who are in a neurotic state, the Army and Navy published a statement on the evening of the 9th. In the morning papers of the 10th, the Army and Navy published their views in regard to the alienation of the public from the military, a threatening statement, as follows:

In connection with the budget questions and others, there have appeared some people who are voicing the opinion that there has been an alienation of the feelings of the people, especially of the farming populace, from the Army and Navy. Some of them say that the crisis of 1936 is nothing but propaganda of the military authorities, or that those who died in the past wars were only those in the lower class, and that no high officers died. Then others say that the welfare of the farming community

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was sacrificed for the sake of the military budget.

Such a movement, to separate the public mind from the military, is an attempt to disturb the harmonious unity of the public mind, the most essential basis of national defence, and the military authorities cannot overlook it.

It further stated:

The two international movements now peacefully made for ruining the power of nations for national defence are the anti-war movements based upon the guidance of the Third Internationale, and the movement to separate the public mind from the military. The public is well versed on the first movement, but the second movement is not well known, although its effect is very great as it is conducted in the country by various methods.

The military, strongly insisting upon the above statement, said that the budget recently demanded is the minimum amount required for secure national defence in view of the existing international situation. Therefore, it is outrageous to make such statements against the Army and Navy.

On the evening of the 9th, hearing that the above statement was to be published in the newspapers of the following morning, before leaving for Okitsu on the morning of the 10th, I called Lt. Col. SUZUKI on the phone and inquired: "Now, what does that statement mean?" SUZUKI replied: "It is a precautionary measure against the Third Internationale." However, later I learned (from certain sources) that persons like

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NAKAJIMA, Yadanji of the Minseito as well as members of other political parties had made speeches at various places reproaching the arbitrary and highhanded actions of the Army. The Kempei reported this to the Army; this (report) had irritated the nervous Army into making the above-mentioned statement (to the newspapers). This certainly is a ridiculous thing to do.

This statement, contrary to expectations, has brought results unfavorable to the Army and Navy. On the evening of the 8th, I was invited to Ambassador YOSHIDA's and met Charge d'Affaires SNOW of Great Britain. As usual, SNOW spoke on various aspects of relations with India, and optimistically said: "I think that the Simla conference will be successful." After all: "We would like to cooperate in the betterment of relations between Japan and Britain," and with this we parted. At this gathering the Lord Keeper of the Privy Seal was informed of the death of Count YAMAMOTO. On the morning of the 9th, I made a call of condolence at Count YAMAMOTO's residence.

On the morning of the 10th, I went to Okitsu and made a report on recent developments to the Prince. When I informed the Prince of the present policy of establishing an Imperial regime in Manchukuo, the Prince greatly approved of it, saying: "In all respects, from the very beginning I hoped for an Imperial regime." Also the Prince was greatly worried concerning the over-exaggeration of the 1935-1936 crisis.

On the morning of the 11th I returned from Okitsu and attended the general meeting of the Koseikai. I heard

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Baron OKURA's talk on what he observed in Manchuria.

The gist of Baron OKURA's talk was: "The favorable developments since the establishment of the Manchukuo Government are the perfection of the currency system, the subjugation of bandits, improvement of social welfare, flood controls, establishment of the budget, and the reorganization of the police. These matters are, in general, the favorable aspects of the administration. However, due to the over-centralization of power, the provinces will be in an exhausted condition and the economy of the provinces is in an unsatisfactory state because the Japanese had overdone things in China in a typically Japanese fashion. However, in general, matters are proceeding very satisfactorily."

On the 12th, a second meeting of the Domestic Policy Conference was held. As expected, matters proceeded smoothly. Due to the fact that the Government is trying to withhold the facts of this meeting from the newspapers, it is a target of criticism in the newspapers, and they (newspapers) are surmizing that some complications exist. I received a report from the Chief Secretary that in actuality this is not true.

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Chapter 110
(20 December 1933)

Rebuff to Old Men

Translated by Mr. Mikio Asano

On the 15th, I left (Tokyo to go to Okitsu to see Prince SAIONJI); on the 16th, I went to make my report to Prince SAIONJI, although he was in bed with a slight cold. I conveyed to Prince SAIONJI that the Premier had said as follows, when I met him sometime ago: "The Cabinet has agreed upon the Foreign Minister's plan for sending SAITO, Hiroshi as Ambassador to Washington.

"Some time ago in the Privy Council's Examination Committee for deliberating upon the proposed 'Policy Department (Kosa-bu)' of the Foreign Ministry, persons like KANEKO, Kentaro and HARA, Kado suggested: 'An 'Advisory Body' or a so-called 'Foreign Policy Deliberation Committee' (Gaiko Chosa-kai), composed of three or four senior statesmen other than Cabinet ministers, should be formed in the Foreign Ministry. By all means the Foreign Ministry must be sufficiently prepared to cope with the (anticipated, diplomatic) crisis of 1935 and 1936. For this purpose, it would be advisable to use us.'

"To this, I answered: 'I have no thought of especially organizing such an office at present; moreover, under present circumstances it is impossible to accept your advice. There is nothing you can do but trust responsible authorities.'

"The Foreign Minister (HIROTA) reproached them; he said: 'Many years ago when Prince ITO, Prince YAMAGATA, and other Genro (Elder Statesmen) were still living, important matters were on occasion first referred to

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them and then decided upon. At present (important) matters are, directly or indirectly, always referred to Prince SAIONJI, as the Genro (Elder Statesman). By the way, when you say 'Senior Statesmen' (Jushin), to whom are you referring, other than Prince SAIONJI?

"At this query of the Foreign Minister, the Privy Councillors seemed to be extremely enraged. However, the Government didn't adopt the proposal of the Privy Councillors (KANEKO, Kentaro and HARA, Kado). Privy Councillor ARAI seems to have felt exceedingly disgusted over the actions of the two Privy Councillors, KANEKO and HARA.

"The Domestic Policy Conference (Naisei Kaigi) is proceeding very smoothly. There are persons who are trying to use Prince KONOYE as a figure head; we would like to have him be more prudent."

I (HARADA) also told Prince SAIONJI what the Foreign Minister (HIROTA) had told me: "The reason why I recommended SAITO for the post of Ambassador in Washington is that he is proficient in English, has had experience at international conferences, and has a wide acquaintance with (important) people. He has, needless to say, diplomatic talents. At any rate, I believe that this is a time when young men must be appointed to responsible posts. Therefore, I selected SAITO especially for this post."

I explained to Prince SAIONJI the proceedings of the discussion concerning the proposed Policy Department (Kosa-bu) of the Foreign Ministry which had been held in the (Examination) Committee of the Privy Council. I also reported to him that when I asked the Premier (SAITO) and the Foreign Minister (HIROTA) about the proceedings of

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the committee of the Privy Council (on the proposed Policy Department (Kosa-bu), they had said: "The demands made upon the Government by Privy Councillors like KANEKO, HARA and some others are habitually recurring events. They demand usually the convening of a State Council presided over by the Emperor (Gozen Kaigi), the establishment of a Foreign Policy Deliberation Committee, etc.; they invariably make various demands on the Government concerning the (Government's) foreign policy. And consequently, so far, no Government has escaped being harassed by this sort of annoyance (from the Privy Councillors).

"There was absolutely no reason for convening a State Council presided over by the Emperor (Gozen Kaigi) on the occasion of the London Treaty or the Manchurian problem. Moreover, the establishment of a Foreign Policy Deliberation Committee (Gaiko Chosakai), as suggested by certain Privy Councillors, would be similar to constructing superfluous superstructures upon a building; in view of past experience, it would be an encumbrance (to the Government). Up till this day such an agency has not been established because it was thought best to prevent old men from butting in (on Government affairs) through the formation of such offices."

I also reported to Prince SAIONJI that concerning the matter of instituting a monarchy for Manchukuo, some problems pending between the Army and the Foreign Ministry had to be solved before it could be formally agreed upon in written form. And for this reason the return of Councillor TANI, who had come from Manchukuo, had been delayed considerably. Nevertheless, the matter

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might be settled within two or three days.

After relating the above to Prince SAIONJI, I
returned to Tokyo on the morning of the 18th.

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Chapter 111
(30 December 1933)

Birth of Crown Prince

Translated by Mr. Mikio Asano

Sometime ago NAKAJIMA, (Kumakichi), the Commerce and Industry Minister, convened leading members of the Minseito and Seiyukai for the purpose of promoting rapprochement. This was for the purpose of urging the parties to minor differences in order to cooperate for the sole good of the nation. From the Seiyukai persons like TOKONAMI, (Takejiro), KUHARA, (Fusanosuke), and MOCHIZUKI, (Keisuke) attended; the faction (of Seiyukai) directly under the leadership of President SUZUKI, (Kisaburo) would not attend. However, the Secretary-General (of Seiyukai) attended the meeting. From the Minseito persons like KAWAZAKI, Takukichi, MACHIDA, (Chuji), and MATSUDA, Genji came. It seems that this plan had been proposed by SHORIKI, (Matsutaro). It is generally thought to be true that the faction of Baron GO, (Seinosuke) is secretly collaborating with this movement. However, to this sort of voice of reproach, Baron GO is replying that he has "No connections whatsoever" with the movement.

On the 25th, a social meeting (of the two parties) was held at the Koyo-kan. NAKAJIMA, the Commerce and Industry Minister, claimed: "I have acted merely for the purpose of getting the two (major) parties together. I did it because I thought that the providing of a chance of rapprochement was a necessity for the sake of the nation. I shall do nothing further on this matter; my part in it is finished."

Birth of Crown Prince

Recently, members of the Bancho-gumi, headed by Baron GO, (Seinosuke), and the group of people which have always collaborated with it, have disseminated propaganda in behalf of Baron NAKAJIMA, (Commerce and Industry Minister), to the effect that: "NAKAJIMA, the Commerce and Industry Minister, is a potential candidate for Premier." Because Baron NAKAJIMA is well-versed on the biography of Napoleon I, these people have sent out invitations and held, at the Imperial Hotel, "A meeting for Hearing a Discourse on Napoleon by Baron NAKAJIMA." They have also done many other similar things. The fact that SHORIKI, Matsutaro had persuaded NAKAJIMA to sponsor this meeting of the two parties, the Seiyukai and the Minseito, may have had other meanings; however, it is highly necessary to observe the activities of the Bancho-gumi, which is quick to lend assistance to this sort of movement.

On the evening of the 22nd, I received a telephone call from Prince CHICHIBU, who said: "Please come after you have finished your supper." I went to His Highness's residence around 8 o'clock. His Highness asked: "Will the Cabinet continue in office; what is the situation?" I answered: "Of course it will remain in office." His Highness inquired about the meeting of the two parties, Seiyukai and Minseito, the movements of MATSUOKA, (Yosuke), etc. I explained to His Highness the situation in general as I understood it.

Prince CHICHIBU said: "Recently, the press has been carrying news of the anticipated happy event (the birth of the Crown Prince). It is all right to be joyful over the matter; however, can't they cease making

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such a vulgar corruption, and handle the news in a more conservative fashion?" His Highness was solicitous over the matter. Moreover, His Highness said: "KONOYE is writing for the magazine of KOBAYASHI, Junnichi (war criminal in Sugamo). He isn't by any chance being used as a figure-head (for some ulterior motive of KOBAYASHI's), is he?"

I answered: "Of course not. Prince KONOYE is on the whole quite independent." I added: "I would suggest that Your Highness meet Prince KONOYE some time in the future at Your Highness's convenience. Won't Your Highness consider this matter?" I perceived that His Highness was interested in the idea of visiting Prince KONOYE's residence at Karakura-yama for dinner (in order to talk with KONOYE). After returning from Prince CHICHIBU's place, I immediately called KONOYE on the telephone and told him about the above matter.

On the 23rd, the day on which the Diet was convened, I received a telephone call early in the morning, which informed me of the birth of the Crown Prince and the concomitant great joy over the matter. After attending the convocation of the Diet, I went to the Imperial Palace in the afternoon to express my felicitations over the event. I went into the inner part of the Palace to see the Grand Chamberlain. I expressed my felicitation to the Lord Keeper of the Privy Seal. I went in search of the Grand Chamberlain in order to express my felicitation in the room adjoining the Chamberlains' dining room, preparations for celebrating the happy event had been completed and Imperial Household officials were celebrating with champagne. They told me to drink (in celebration); I had some champagne and felt fine. I then went to the

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office of the Lord Keeper of the Privy Seal and discussed various matters. On my way out, I went to the office of the Chief Aide-de-Camp to the Emperor and expressed my felicitations over the happy event. During our talk, I said with deep emotion to the Chief Aide-de-Camp: "It is very fortunate that you have been appointed to the post of Chief Aide-de-Camp. The reason I say so is that in recent times the young officers of the Army have indirectly disseminated ideas about the sagacity of His Majesty; and it has come about that we even hear His Majesty's sagacity discussed by leading members of the War Ministry and the General Staff Headquarters. I believe that presumably what you have told the War Minister, (RAKI), and the Vice-Chief of the General Staff on certain occasions (concerning the Emperor) must have been disseminated. Should other officials have told this (the sagacity of the Emperor), people would not have readily believed it. I feel exceedingly grateful over the matter." The Chief Aide-de-Camp said: "There are still some unsatisfactory features within the Imperial Court. As for the Emperor's sagacity, I feel that it is a thing to be very thankful about." Leaving the Imperial Palace, I went to see the Premier, (SAITO, Minoru) and the Foreign Minister, (HIROTA).

On the 26th, after the opening ceremony of the Diet, I met the Premier (SAITO) and discussed various matters with him. Concerning the news in the press on the Imperial amnesty, the Premier told me as an especially confidential matter: "The Emperor cautioned me: 'The press is suggesting that a special amnesty or

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Imperial amnesty might be granted (to commemorate the birth of the Crown Prince); however, amnesties must not be indiscreetly granted. It would not be desirable, should sentimental feelings be permitted to derange the sanctity of law.'

"Therefore, we are giving this matter (amnesty) serious reconsideration. Please convey this solely to Prince SAIONJI."

Thereafter, nothing of special importance occurred. On the 29th the ceremony for naming the Crown Prince was held; this was celebrated throughout the nation with enthusiastic joy. The fact that the feeling of the people had been stabilized (by the birth of the Crown Prince) was especially noteworthy. I felt that this was highly auspicious.

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Chapter 112
(8 January 1934)

Araki Criticized

Translated by Mr. Mikio Asano

On the morning of the 30th, Colonel SUZUKI, (Teiichi) came to my home. In the course of our talk he said: "About the 20th of last month, the Generals, HAYASHI, (Senjuro) and MAZAKI, (Jinsaburo) went to the War Minister, (ARAKI, Sadao), and urged him importunately to resign his post, saying: 'We are requesting you to resign by all means, because nothing (renovational) can be expected from this sort of Cabinet (the SAITO Cabinet). If the Cabinet is going to remain in office, it has to accomplish some definite reforms. Under the present situation there is absolutely no raison d'etre for the Cabinet.'

"They are thinking that should the War Minister, (General ARAKI), resign the Cabinet will inevitably collapse. When the War Minister heard this, he reproached them: 'All right, if you are going to urge my resignation so strongly, I'll resign as you request. And I'll retire somewhere in the mountains. However, do you two (HAYASHI and MAZAKI) have real confidence of keeping the Army under control?' To this, the two in unison said: 'Well, we'll give the matter consideration.' And then they left. This is absolutely confidential; however, please convey it to Prince SAIONJI."

In reviewing this matter, I recalled that KUHARA, (Fusanosuke) had spread rumors in Kabuto-cho (the stock exchange circles) to the effect that: "The Cabinet will now, at last, collapse within two or three days." At the same time a man by the name of MATSUI, employed by KUHARA, (Fusanosuke), who frequented the home of General HAYASHI,

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Senjuro, had likewise disseminated rumors that: "The Cabinet will collapse within two or three days." The above rumor was also rampant within the Seiyukai; HATOYAMA, (Ichiro) seems to have believed it. Thereupon, I came to realize that this sort of rumor which was rampant in various circles had originated from the above-mentioned sources (HAYASHI and MAZAKI).

After a lapse of two or three days Generals HAYASHI, (Senjuro) and MAZAKI, (Jinsaburo) again came to see War Minister ARAKI and requested him not to resign; they said: "Well, although we did urge you to resign, your resignation at the present moment would be exceedingly embarrassing; therefore, please remain at your post." It seems that they came to the conclusion that they themselves could not keep the Army under control (should ARAKI retire from the Army).

In the morning of the 31st, I received a telephone call from ODA; he said: "I went on a trip to the Tohoku district; on my way back, I met Prince HIGASHIKUNI; His Highness requested me to telephone and tell you as soon as I returned to Tokyo that he wanted to see you by all means." I immediately telephoned His Highness who said: "Come immediately." I went to His Highness's residence at once.

His Highness stressed: "Isn't ARAKI, (War Minister), of the Army no longer able to carry on his task?" It seemed, from what His Highness said, that he occasionally met (Lieut. General) ISHIHARA, (Kanji). His Highness said: "ISHIHARA is frequently visited by NAKANO, Seigo, whom he has known since (the formation of the) Toho-kai, at his place in Sendai. NAKANO visits ISHIHARA as well as

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myself. Because nothing can be done about it; I occasionally meet him."

I felt: These people (Lieut. General ISHIHARA and NAKANO, (Seigo) have connections with members of the Great East Asia Federation (Dai-Toa Renmei); these people have extensive connections through Generals MATSUI, Iwane and HAYASHI, Senjuro; these were of the faction which was not only saying that "ARAKI is impossible," but also trying to replace him with General HAYASHI, (Senjuro). After listening to what His Highness had to say, I left after saying: "Next month, before you leave for your post, I wish to meet you again." His Highness said that he would be discreet in his actions, which was naturally to be expected of him. His Highness was extremely happy over the birth of the Crown Prince.

On the 31st, I went to Oiso and celebrated the New Year with my family. In the afternoon, I went to Shizuura; I stayed there for two days. On the morning of the 3rd, I went with KIDO to extend New Year's greetings to Prince SAIONJI. In connection with the birth of the Crown Prince the press is stating that an Imperial amnesty or special amnesty will be granted. In regard to this, the Emperor had said to the Premier: "Care must be taken to prevent the sanctity of law from being impaired by sentiment. I'm going to give this matter thought; so give consideration to it yourself." The Premier had said to me: "Please convey this to Prince SAIONJI." So I explained the above matter to the Prince. KIDO also explained the salient points of the matter to the Prince. The Prince seemed to be exhausted, so the two of us left early.

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On the 7th I went to Kamakura on an automobile drive with Colonel SUZUKI, (Teiichi) and Marquis INOUE; we visited Prince KONOYE. KONOYE said that since New Year's day, Navy officers such as Captain YAMASHITA, Commander ISHIKAWA and Commander ONISHI, Staff officer of the Yokosuka Base, had come to see him and expressed strong opinions saying: "Renovation can only be made by direct, (armed) actions." KONOYE stressed the fact that: "The Navy seems not yet to have calmed down." These people seem to have connections with members of the Great East Asia Federation (Dai-Toa Renmei).

According to what Colonel SUZUKI, (Teiichi) told me sometime ago, Army officers, TSUTSUI of the Foreign Ministry, and officers of the Navy met recently with members of the Great East Asia Federation (Dai-Toa Renmei) at some place. In short, according to Colonel SUZUKI: "They apparently went to KONOYE with the idea of expressing an extremely radical opinion unrestrainedly in order to make their wishes clear to him. KONOYE replied to them: 'I am in agreement with reforms within the pale of the constitution; however, I am absolutely opposed to movements, which will be effectuated by destroying the constitution.' "

On the evening of the 28th of last month, I had been invited to Horyu by ITO, Bunkichi. Admiral NOMURA and Ambassador (to Great Britain) YOSHIDA were present. MATSUKATA, Otsuhiko also came. We talked casually and returned home.

In the course of the talk, MATSUKATA, who is acquainted with (President) ROOSEVELT, said that he received a letter from the President asking him to come to the United States.

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MATSUKATA said he wanted to go. It seemed that it had been decided to discuss the matter with SAITO (Ambassador in Washington), in order to have MATSUKATA assist him in America. I didn't think much about this.

Recently, however, this matter has appeared in the newspapers: "The Foreign Ministry has decided to send MATSUKATA to America and is going to provide him with 100,000 yen for travelling expenses." The fact that MATSUKATA is an old acquaintance of the President would be favorable. But the present-day MATSUKATA is financially a hobo; he has failed in every enterprise that he has been engaged in. I feel that he is a person almost wholly uninformed about the prevailing situation of Japan because he has been uninterested in politics and diplomacy. Should this sort of person be sent for the purpose of promoting personal friendship, it would be all right; however, I'm wondering what sort of thing MATSUKATA would say to the President. Won't he say things entirely at cross-purposes and interfere with the important task of (Ambassador) SAITO? When various aspects are taken into consideration, I become extremely apprehensive. I feel that special consideration must be given this matter.

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Chapter 113
(15 January 1934)

Kiyoura Supports Saito

Translated by Mr. Mikio Asano

On January 10th I met the Foreign Minister (HIROTA) and asked him about MATSUKATA. It seemed that the Foreign Minister had hardly anything to do with the plan (for sending MATSUKATA to America). He said that he agreed entirely with my apprehension over the matter (of sending MATSUKATA).

I went to see the Lord Keeper of the Privy Seal (MAKINO, Shinken) to exchange New Year's greetings with him and also in order to glean information on the matter (of MATSUKATA going to America). The Lord Keeper of the Privy Seal said that that very morning MATSUKATA, Otsuhiko had come to see him and said: "I have lived in the country in retirement and know nothing about the affairs of the world. Consequently, I am entirely unqualified to say anything about diplomatic problems. I am going to America for no other reason than to renew friendship (with President Roosevelt). Should this contribute toward friendship (between the two countries) I shall be very happy." The Lord Keeper of the Privy Seal said that in view of what MATSUKATA told him: "I don't think that there is anything to worry about." After discussing various matters, I left the Lord Keeper of the Privy Seal's place and went to the Tokyo Club. Ambassador YOSHIDA and KABAYAMA, Aisuke happened to be there, so I told them the above story.

When the name of KOBORI, Yusuke was mentioned in the course of my talk with the Lord Keeper of the Privy Seal, he intently said: "KOBORI, Yusuke seems to have a

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sort of power of attracting people; persons like General HAYASHI, Senjuro and Commander of the Kempei HATA frequently gather at his home. Moreover, the fact that young Navy and Army officers and political racketeers (ronin) convene at his home must indicate that he has some sort of attraction (which appeals to these people)."

He seemed to say this without suspicion; he spoke as if he more or less admired him (KOBORI). I became immediately apprehensive over this attitude of the Lord Keeper of the Privy Seal. Therefore, when I went to the Tokyo Club and met Ambassador YOSHIDA and KABAYAMA, Aisuke, I told them: "The Lord Keeper of the Privy Seal (MAKINO) seems to have a great deal of confidence in KOBORI; however, it is dangerous if the Lord Keeper of the Privy Seal gives undue credence to information obtained from such a person. Please be duly watchful over this matter. I have been acquainted with KOBORI for a long time. He seems to be a devotee of the Omoto-kyo (a pseudo-religion); the press report that he is making a study of the Omoto-kyo. He is an inscrutable person; it is best not to associate with him too much. The Lord Keeper of the Privy Seal is gullible; consequently, he is hoaxed occasionally by such a person. He has to be extra cautious about people." Both of them seemed to be in agreement with me; they said: "We don't think that the Lord Keeper of the Privy Seal is placing as much confidence in him (KOBORI) as you fear."

In the course of my talk with the Lord Keeper of the Privy Seal, he said: "Count KIYOURA came to see me in the latter part of December before he left for Atami. He, (KIYOURA) said: 'There is no other recourse but to

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give support to the present Cabinet. UGAKI and some others are suggested as possible candidates for Premier; however, the matter (change of Cabinet) cannot be solved in such a facile manner. Furthermore, HIRANUMA is not a suitable candidate for Premier. After all, nothing can be done but to have SAITO, the present Premier, carry on for the time being.'

"In view of what KIYOURA said, although the Minseitō and a faction of the Seiyūkai may collaborate for the purpose of making Count KIYOURA the Premier, KIYOURA himself won't accept the post. He may appear to be interested in the idea of becoming Premier; however, that is mere rumor."

I also retailed this story to the two (YOSHIDA and KABAYAMA) at the Tokyo Club.

Thereafter, I went to see the Justice Minister, (KOYAMA, Matsukichi); he said: "There is no special news for you. It is true that Commander YAMAGUCHI (of the Navy Air Force), implicated in the Shimpei-tai Incident, had planned to bomb the Premier's official residence and the Metropolitan Police Building; this is now being investigated. The Army was not directly implicated in the Incident; however, it is a fact that among Army officials there was a plot similar to the October Incident in the offing. I have requested the Army itself to conduct an investigation into it. It has become clear that Army personnel were not actively implicated in any way in the URAWA Incident."

On the morning of the 12th, I left for Okitsu. I made my usual report to Prince SAIONJI. The Prince said in regard to the problem of selecting a tutor for FU-YI

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(Emperor of Manchukuo): "What in the world is the matter with the people who are selecting a tutor for the Manchukuo Emperor? In selecting a tutor special care should be taken. It is very dangerous to appoint a misfit -- a person of indifferent qualifications -- for his tutor."

Prince SAIONJI further added: "There is nothing specially to worry about over the selection of a Master of Ceremonies (for the Manchurian Court), who would be concerned with such matters as ceremonies and affairs of the Imperial Household."

Prince SAIONJI didn't consider the case of MATSUKATA to be of serious importance. He said: "I think nothing can be done but to observe the general situation more deliberately."

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Chapter 114
(22 January 1934)

Hayashi: Succeeds Araki

Translated by Mr. Mikio Asano

On the 13th, I met the Premier and told him:

"On the matter of selecting a tutor (for the Manchukuo Emperor). Prince SAIONJI has made such-and-such a comment. He didn't necessarily tell me to convey it to you; but since it is an important matter requiring special consideration, I am telling you what the Prince said on the matter." The premier was in complete accord with the Prince's opinion; he said: "The matter has not yet been officially considered; I myself feel that the opinion of Prince SAIONJI is justified. I shall give the matter due consideration."

I also related to the Foreign Minister (HIROTA), what Prince SAIONJI thought about the matter. The Foreign Minister also said: "Special care must be taken in this matter; however, it does not require immediate solution. I'll be especially careful." The Foreign Minister further said: "I am desirous of solving by all means the problem pending with Russia; that is the problem of (purchasing) the Chinese Eastern Railway. I'm going to resume negotiations as soon as possible in order to settle the matter."

In the afternoon of the 16th I planned to go to Okitsu; therefore, I went to see the Premier in the morning. He said: "You came at just the right moment. I have something I want you to convey to Prince SAIONJI. Yesterday, in regard to the pending problem of granting Imperial amnesty, I was received in audience by the Emperor. I told His Majesty: 'The Government considers that under the present circumstance some sort of amnesty must be granted. We

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are thinking of confining the amnesty to commutation of penalty and reinstatement of political rights; prisoners convicted of crimes of murder, burglary or lese-majeste will be excepted from consideration. Prisoners who were convicted of implication in the May 15th Incident will be included in the amnesty. Moreover, in accordance with the special provisions (of the amnesty), the civilians implicated in the Ketsumeidan Incident will also, in all probability, be included in the amnesty.'

"The Emperor said: 'I think that amnesty within these limits is permissible.' Therefore, I am planning to place it on the Cabinet agenda in the near future and to have it formally decided upon. I heard from the Grand Chamberlain that the Emperor had told him also: 'Even in the (auspicious) case (of the birth) of the Crown Prince, the dignity of law must not be slighted; the dignity of law must not be tarnished thoughtlessly by sentiment.' I have not told anyone about the amnesty; please convey this to Prince SAIONJI." The Premier also requested me to convey to Prince SAIONJI: "The opening of the Diet session is approaching. I have nothing special to report to you. Therefore I won't be coming to see you immediately. Please accept my best regards."

It seems that the War Minister, (ARAKI), is going to continue in office, although he is confined to bed with illness.

On the evening of the 16th, I went to Shizuoka. I had planned to go to Okitsu on the 17th. However, because I had a slight cold and my voice had been somewhat affected, I felt that it might be better not to see the Prince

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personally. Consequently, I wrote a letter which was sent to him the next day, reporting: the negotiation pending between Russia; the attitude of the Diet toward the Army; the Premier's statement on the Imperial amnesty; etc. I returned to Tokyo on the 18th.

On the morning of the 20th, I went to see the Premier (SAITO) and told him about my report to Prince SAIONJI in detail. At this time the scandal of the Bancho-kai (a powerful financial group, whose members were residents of Bancho, Kojimachi-ku, Tokyo), which had been exposed by the Jiji Newspaper, had come to be an object of public criticism; therefore, I told the Premier: "I feel that this problem must be handled with great discretion; it is a complicated problem. The further the investigation of this matter is pushed, the greater will be the chance that rascals will try to capitalize on this incident for ulterior motives; and I fear that the Government might be greatly inconvenienced in various ways. This problem must be given serious consideration." The Premier was in complete accord with me. I told him as much as I knew about the matter.

Recently Dr. MINOBE has written an article in the Asahi newspaper, entitled: The Future of Party Politics. I feel that this will help materially to ease the atmosphere, which is becoming quieter.

The faction under the leadership of Baron GO, Seinosuke is complicated in the Bancho-kai incident; and NAKAJIMA, Kumakichi, the Commerce and Industry Minister, is intimately connected with this group. At any rate, it is not a question of whether they have run counter to law or not;

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the problem lies in the fact that they have committed acts unpardonable from the standpoint of integrity and morality.

About 9 o'clock on the morning of the 22nd, I went to the official residence of the Premier to see him. We talked for about 30 minutes; he told me about the pre-Diet political situation; I told him about various matters. After I returned home, I received a telephone call from INOUE, Saburo; he said: "Colonel SUZUKI, (Teiichi) had planned to visit you yesterday; but as this might arouse various speculations under the present circumstances, he gave up the idea...." INOUE came to my home in behalf of SUZUKI and said: "We had KIDO come and we discussed the matter of War Minister ARAKI's resignation from various angles. Please obtain the details from KIDO. There are various reasons which caused the War Minister to resign; however, keep this absolutely confidential. Please ask KIDO for particulars."

I immediately telephoned Colonel SUZUKI, (Teiichi) and asked him: "Now what is the reason for this....?" SUZUKI asked: "Didn't you hear anything whatever from the Premier when you went to see him this morning?" I answered: "I met him between 9 and 9:30 o'clock this morning...." Colonel SUZUKI said: "Oh, then the Premier probably didn't know about it yet. At any rate, we would like to have this change pushed through without any quibbling. We want the change made as soon as possible." SUZUKI seemed to want the matter dealt with in extreme haste. Up to the present, SUZUKI had been opposed to General HAYASHI becoming the War Minister. I wondered why he made such a sudden volte-face. However, I hung up the phone (without asking him).

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I immediately went to the Premier's official residence again about 11:30 o'clock and met the Premier (SAITO). He said: "Right after you left, YANAGAWA (Heisuke), the War Vice-Minister, came to me and said: 'The War Minister (ARAKI) has to convalesce further; he says he wants definitely to resign because it seems that he won't be able to present himself at the forthcoming Diet session. Therefore, I have brought his letter of resignation.' Thereupon, I asked him: 'What are you going to do about a replacement?' YANAGAWA replied: 'With the consent of Prince KAN-IN, the three Department Chiefs (San-Chokan) of the Army have decided upon General HAYASHI. Therefore, please transmit this letter of resignation to the Emperor.'"

The Premier continued: "This was a surprise to me; I don't know what is what. I'm going to visit the War Minister personally at his sick-bed about 1 o'clock. I'm going to try to dissuade him, as much as possible, from resigning. If he is determined to resign, then, that's that. And I'll seek his opinion on his successor."

I said to the Premier: "In considering the situation, I think that things have come to such a pass that he has to resign. Should counter-action be taken now, it would provide them (the faction in the Army opposing ARAKI) with opportunities for further machination; this would be undesirable. Moreover, I'm going to ask the War Minister about this matter myself." And I left the Premier's.

After 12 o'clock, I went to the Tokyo Club and discussed the above matter with KIDO, while lunching with him. KIDO said: "That must be stopped; the Premier must not personally go to see the War Minister. ARAKI is in bed with pneumonia."

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following influenza. Should the Premier visit such a patient, he won't be able to go to the Imperial Palace nor to be received by the Emperor in audience. Somebody else must go; the Premier must desist from going." Thereupon, I telephoned the Premier at once, had him come to the phone personally, and told him what KIDO had told me. The Premier said: "Thank you for your advice. I won't go. I'll send the Chief Cabinet Secretary, (HORIHIRI) in my place."

The Premier gave up his plan to see the War Minister and went to have an audience with the Emperor in order to report on the speech on administrative policies which he is going to make in the forthcoming Diet session, and other matters.

Thereafter, I again called Colonel SUZUKI on the telephone and inquired about the replacement of the War Minister. He said: "The reason why I say that the successor of ARAKI must be General HAYASHI is that the general trend of the situation has developed in that direction. Moreover, after frequently consulting Prince KAN-IN, residing in Odawara, for the last four or five days, the three Department Chiefs (San-Chokan) of the Army have concurred on the appointment of General HAYASHI as the next War Minister. Since HAYASHI is going to take over the post of a minister resigning on account of illness, he must assume the post unconditionally. Should his investiture be delayed, it will give a chance to certain persons to plot or to attach difficult conditions to his assumption of the post. Since General HAYASHI's appointment is inevitable, it is best to have it effectuated speedily." This was the opinion of SUZUKI who belonged to the ARAKI circle. It seemed that he had more or less acquiesced in the situation.

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I had the Chief Cabinet Secretary, (HORIHIRI), convey this opinion of SUZUKI to the Premier. The Premier as well as the Chief Cabinet Secretary considered the resignation of ARAKI as unavoidable; so the Premier went to the Imperial Palace in the evening and reported the matter to the Emperor. ARAKI, at last, had resigned. The next day, at 9:15 o'clock, the Imperial investiture of General HAYASHI as successor to War Minister ARAKI was conducted in the Imperial Palace; General HAYASHI became the War Minister. There are many rumors concerning General HAYASHI; they are as yet unverified. Public opinion on the whole seems to be favorable to him.

On the evening of the 23rd, members of the Kosei-kai (a party in the House of Peers) were invited by the Chief of the Metropolitan Police to a banquet at Horyu. At this party the Chief Cabinet Secretary, (HORIHIRI), told me confidentially: "The War Vice-Minister, (YANAGAWA, Heisuke), has protested to the Premier that he wants him to delete from the speech which he is going to make at the forthcoming Diet the words which he (Premier) quotes from the Imperial Rescript: 'The civil officials and the military officials shall each devote themselves sincerely to their respective duties; and the people shall endeavor in their respective occupations.' The War Vice-Minister is protesting as if he meant that it would be permissible to quote the Imperial rescript in referring to educational matters but that it would be outrageous to quote Imperial rescripts in referring to political affairs. However, the Premier's administrative policy speech has already been written; whatever the War Vice-Minister may say, it is impossible to alter it. Consequently his demand was refused."

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Furthermore, according to the Chief Cabinet Secretary: "Young officers have become neurotically hypersensitive for fear that members of political parties may quote those words from the Imperial rescript and vigorously reproach the Army (for its arbitrary actions in election campaigns) in the prefectures. It has become evident that for this reason the War Vice-Minister has lodged the above objection to the Premier's speech."

YAMASHITA, the Military Affairs Section Chief, (of the Army) and HORIKIRI, the Chief Cabinet Secretary, are on friendly terms, since they were stationed in England at the same time. YAMASHITA telephoned Chief Cabinet Secretary, HORIKIRI, and said to him: "I hear that in the bill for amending the election law now being prepared by the Home Ministry, the proportional representation election system is being adopted. The proportional representation election system is an election system based on the recognition of political parties; therefore, we (the Army) want the proportional representation system to be dropped from the Bill." The Chief Cabinet Secretary, however, ignored this request of the Army; he told me: "The War Ministry certainly does make queer demands." Furthermore, the Chief Cabinet Secretary said to me: "At that time (when you came to see me yesterday), I really didn't know anything about that matter (the resignation of ARAKI); moreover, when I received the telephone call (from you), I was still ignorant about the matter because I hadn't yet met the Premier." Yesterday on my way home after seeing the Premier, I visited the Chief Cabinet Secretary. Just at the time that I was talking with him (Chief Cabinet Secretary), YANAGAWA, the

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War Vice-Minister, was visiting the Premier about the resignation of ARAKI.

In viewing this shifting of the War Minister, I felt that the so-called ARAKI faction was under a heavy shadow. It is especially worth while to observe how the Army will act hereafter.

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Chapter 115
(30 January 1934)

Corrupt Bureaucrats

Translated by Mr. Mikio Asano

On the afternoon of the 24th, I visited Major-General NAGATA (Tetsuzan) at the Brigade Headquarters of the First Division. I explained to him various matters concerning the replacement (of the War Minister). I heard Major-General NAGATA's opinion on this matter. According to Major General NAGATA: "The three Generals, ARAKI, MAZAKI and HAYASHI are unselfish men of high character; there is understanding between these three; consequently, they can act in unison. Any one of these persons can be made the head of the Army because they enjoy the confidence of the entire Army. This is possible because they are unselfish persons and can keep the Army under complete control. However, should this (the War Minister) be someone else, he would be influenced by the clique to which he belongs; and in view of past disturbances and difficulties within the Army, he would not be able to enjoy the wholehearted support of the entire Army.

"The followers of these three might mutually oppose each other, claiming: 'He (the War Minister) must be HAYASHI, or ARAKI, or MAZAKI,' as the case may be. However, the three generals are in complete accord; they have a complete understanding of one another. General ARAKI has his so-called henchmen; he has a relatively large number of very narrow-minded followers who claim: 'ARAKI must be the War Minister.' Therefore, although General ARAKI himself is a god-like man of high character, in certain respects he is liable to be misunderstood

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and misjudged on account of his followers. In short, people other than Army men, that is ultra-nationalists, have a tendency to approach ARAKI.

"General HAYASHI has no henchman. There is no definite person who can be considered his advisor. He is a man of understanding; he readily accepts the advice of other people. The regrettable fact concerning him is that among persons who gather around him there are a great many political racketeers. For this reason, he may very easily be misguided. Nevertheless, he is a person of very good understanding. And I think that he will make an excellent Minister. There have been rumors that I belong to the HAYASHI faction and that I would be given a post in the War Ministry when General HAYASHI becomes the War Minister. However, I have met General HAYASHI only once; moreover, that was for about only thirty minutes; I have never met him since. As for General MAZAKI, he is a person who has absolutely no henchmen. In case any of these three Generals assumes the post of War Minister, the Army will certainly not become disorderly. The Army will be all right, should any one of these three be appointed War Minister."

"I have been observing recent tendencies among the young Army officers from various angles, since I was assigned to this post of mine. The tendency of factions of young officers to become (ultra-nationalistic) radicals --as was the case some time ago-- has disappeared; however, the tendency of subordinate officers to present resolutions (for reforms within the Army) to superior officers has become somewhat wide-spread; subordi-

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nates are presenting resolutions to superiors in a pyramidal fashion. I thought that it would not be advisable to take severe disciplinary measures throughout the entire Army for the purpose of rectifying this situation; consequently, I am engaged now in eradicating this undesirable tendency (by less drastic means). I am taking moderate measures for restoring discipline within the Army. However, this will be very difficult to accomplish unless politics is reformed. Moreover, it is very vexing that members of the Diet are unnecessarily irritating the Army."

After talking with NAGATA for about two hours, I left. I then, went to the Diet. I attended the session of the House of Representatives; I surveyed the general situation prevailing in the House. It seemed that NAKAJIMA, (Kumakichi), the Commerce and Industry Minister, was greatly worried over the so-called bureaucratic corruption incident. KAMIYAMA, Mannoshin and IZAWA, Takio are raising much noise in interviews with newspaper reporters on this matter. To impartial observers, they are saying things which make them appear ridiculously puerile. On the 25th or 26th, KAMIYAMA and IZAWA visited the Premier (SAITO) and told him: "Up to the present, we have supported the present Cabinet to the best of our ability; however, in view of the present situation (bureaucratic corruption), we can hardly be expected to maintain our previous attitude. In short, hereafter, we shall act according to the dictates of our conscience. Please give cordial consideration to this action of ours." In fact, their words were in reality a sort of ultimatum.

Their main argument, as stated by KAMIYAMA, centers

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in the following point: "When this problem (corruption of bureaucrats) first arose in connection with the problem of merging firms in the iron smelting industry, I felt that it would develop inevitably into the present distressing situation; consequently, I gave warnings (to the Government) at that time. Just as I warned, it has now developed into the present (sorry) situation." According to the press, it seems that IZAWA (and KAMIYAMA) have made rather daring statements to the newspapers: "The (SAITO) Cabinet will not collapse over the budget problem. When it does collapse, it will fall on account of this problem (bureaucratic corruption). NAKAJIMA (the Commerce and Industry Minister) is an outright scoundrel and GO (Seinosuke) is a scoundrel. Just watch and see; the (SAITO) Cabinet will invariably collapse soon...."

I felt that they (IZAWA and KAMIYAMA) acted as if they were actively engaged in a movement to overthrow the Cabinet. From our standpoint, as members of the House of Peers, I felt that this action of theirs was uncalled for. The public procurator's office has not yet made any investigation of the matter; moreover, the truth of the situation is yet obscure. We feel that Baron GO (Seinosuke) is a man of high character; and we feel that in the group of people surrounding him are questionable characters; on these points, everyone is in complete accord. Nevertheless, there is much to be investigated before it can be decided just what the concrete facts are. The making of criticisms is entirely unnecessary and uncalled for. They (IZAWA and KAMIYAMA) could have advised (the Government) in a more

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conservative manner privately, or they could have requested the public procurator's office to make an investigation of the matter. I feel it is very undesirable for the House of Peers to act like an outpost of the public procurator's office.

The most important present day problem is; how to avoid irritating the Army unnecessarily; and how to exert the concerted efforts of everyone to effectuate the restoration of order and discipline in the Army for the purpose of regenerating it. We feel that this sort of (relatively minor) problem (corruption of bureaucrats) can be rectified without raising undue commotion. I am planning to meet IZAWA at the House of Peers and admonish him over his (rash) attitude; although I already have made an appointment to talk to him I haven't met him yet. There are many persons of an opinion similar to mine; on the other hand, there are many who, seizing this opportunity, are raising a commotion for the purpose of mortally wounding this (SAITO) Cabinet. Especially on the problem of the railroad (scandal), the former Railway Vice-Minister (of HAMAGUCHI Cabinet) AOKI, Shuzo of Minseito and his group, are criticizing the proceedings of the Railway Conference. Lending a willing ear to the charges (made against the Government by AOKI), IZAWA has become enraged and is going around stirring up trouble. I feel this is very undesirable; however, nothing can be done about it.

From our viewpoint, we would like elders (of the House of Peers) like IZAWA and KAMIYAMA to act like the so-called Cenro (elder statesmen) and view the political situation with a more dignified attitude. For him (IZAWA)

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to take various actions in a very emotional manner is undesirable in the current political situation; as a result of his actions rumors are flying. As a result of this (IZAWA's activities), NAWAJIMA, Kumakichi, the Commerce and Industry Minister, has become extremely confused and is considering various means of coping with the situation. He invited members of the Kosei-kai (a party in the House of Peers) to a banquet at the Imperial Hotel and explained the matter (bureaucratic corruption) from the Government's standpoint to them. He tried to obtain an interview with a faction of the Seiyukai, composed of its junior members, who are rather enthusiastically criticizing the Government. The public reverberations from his attempted remedies have tended to aggravate the problem further.

Rumor is prevalent that IZAWA is actively "involved in a movement for selecting the succeeding Cabinet." And as a result of this both sides (the Government as well as the anti-Government faction) have been stimulated to action; and various movements have been started.

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Chapter 116
(2 February 1934)

Friendly Sir John Simon

Translated by Miss Miwako Yanamoto

KIDO was to depart on the night of the 25th and go to Okitsu. We asked Col. SUZUKI to come over at noon on the 25th and we discussed many matters. He said: "Do not stimulate the Army unnecessarily. It will hinder the efforts of the Army to restore discipline. You must be very careful in this matter." He continued: "Many anonymous letters come to the Army regarding the various problems concerning politicians today, for instance the official discipline problem, in which NAKAJIMA, Minister of Commerce and Industry, is the central figure. There are anonymous letters regarding those who are doing the attacking and also regarding those who are being attacked. The situation is quite complicated. We must be very cautious for many reasons." He added: "Conditions aren't too favorable, judging from today's Diet session." On the 26th, KIDO went to Prince SAIONJI's place and discussed many matters. I met him on the night of the 26th. He told me the main points of his conversation in general saying: "I talked with him for a long time."

On the night of the 27th, the Minister of Commerce and Industry invited the members of the Kosei-kai to the Imperial Hotel. He explained the existing situation in such matters as the merger of the iron manufacturers. At first, NAKAJIMA, Minister of Commerce and Industry, had called the leaders and tried to obtain their understanding. However, IWAKURA and KURODA said: "This is inappropriate. If you are going to talk generally, please tell it to the

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general public." That is why it was told to the whole group.

First, he talked about the details leading to the success of the present merger of iron manufacturers. He explained why values had gone up so much in the meanwhile. He related the details regarding the stocks of Teikoku Rayon which the Bank of Formosa had entrusted to the Bank of Japan as special security. These were put on the market in order to meet its obligation to the Bank of Japan. The Minister of Commerce and Industry had exerted his efforts to have the insurance companies buy them. Regarding this, the public, especially people like KAMIYAMA, said: "He is mixing his influence in the business world with his position as Minister of State." The Minister of Commerce and Industry explained this point. He also explained the particulars regarding the Ashikaga, Takauji theory (anti-Emperor theory) which he had put out in a magazine called Gendai, and he sought their understanding. General speaking, the atmosphere was not too good.

I met FUKAI, Lieut. Governor of the Bank of Japan, at the Tokyo Club. I asked him about the matter. He stated: "As far as the Bank of Japan is concerned, it is necessary to recover the claim as soon as possible while there isn't too great a change from prevailing prices. We desire very much to have the Bank of Formosa sell the securities if there is a good buyer. However, we do not desire to sell the stocks of one company too diffusely here and there. Therefore, we are very desirous of disposing of the stocks among one or two large and influential organizations. However, such organizations must have complete confidence

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in the stocks they buy.

It was because of this view on the part of the Bank of Japan that the Minister had intervened. When the talk first started, the stocks of the Kurashiki Spinning Corporation (Kurashiki Boseki) went up very high. Since there were indications that the rayon stocks would be greatly desired, there was a big rise. Since there was a boom, the price of the Teikoku Rayon stocks were higher than the current price when the Bank of Formosa talked to the Bank of Japan. In fact, they rose even higher about two or three months later and reached an unexpectedly high price. This became the basis for all sorts of remarks. Those made by the Bancho-kai, attacking the mixing of influence in the business world with the position of Minister, and the ASHIKAGA, Takauji theory (anti-Emperor theory), were the sharpest spear-points of the attack.

On the morning of the 30th I started out to pay my respects to the War Minister who had just assumed his post. I talked with him for about 20 minutes at the Kaiko-sha and came home. His views seemed very reasonable and he wasn't loquacious. I felt that he was a man of good character. I met the Minister of Justice. He had cautioned the War Minister as I had previously asked him to. He had also told him to be on guard regarding MATSUI, Kuka, and other political racketeers. The War Minister understood very well. He told the Minister of Justice: "I am being quite careful. Please be reassured."

I met the Prime Minister on the 31st. He said: "There was an announcement of Imperial Amnesty on February 12. Since there are the Emperor's wishes to consider, it will be of a very limited scope, confined to the mitigation

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of penalties and reinstatement as stated previously."

He continued: "The Government will keep it on a very small scale and will comply very strictly with the Emperor's wishes."

On the first, I met the Foreign Minister, and we discussed many matters. He stated: "The atmosphere in England regarding Japan is very good. I have received a letter from the British Foreign Minister congratulating me on the assumption of my post. In it, he (Foreign Minister SIMON) expressed the hopes and intentions of England regarding Japan, and it was a very friendly letter. I showed the letter to the Emperor. Will you also show it to Prince SAIONJI." I received a copy of it.

Translation of Letter

Translated by Lt. Taichi Nishihara

TENTATIVE TRANSLATION OF THE CONFIDENTIAL DOCUMENT
PRESENTED TO FOREIGN MINISTER HIROTA BY THE BRITISH
AMBASSADOR IN JAPAN ON DECEMBER 26, 1933.

I (British Ambassador) have been asked by the Foreign Minister of Great Britain to extend his personal felicitations on your assumption of office. Sir John SIMON is especially glad that you have a thorough knowledge of Great Britain. He recalls that during your tour of duty at the Japanese Embassy in Great Britain, you availed yourself of the opportunity to investigate and study the national character and the policies of Great Britain. He is also glad over the fact that you showed the same interest in Anglo-Japanese relations upon your return to Japan, and to know that you were actually able to apply the knowledge obtained in London. It is clearly evident that you have a thorough understanding of British policies at a time when Anglo-Japanese relations are becoming closer and more intimate.

Since then, there has been a great change in the situation. Following the World War--the like of which had never been known before--in which Japan and Great Britain were able to fight together as allies, an industrial and commercial danger has sprung up. It is impossible to forecast clearly what the consequences of this will be. Looking back

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upon the problem of Anglo-Japanese relations--as a result of the widespread economic danger--the competition between Japanese and British industries has become keener. Because of this, it would be tantamount to lack of frankness on the part of industrial and commercial interests should they refuse to recognize that this has led to a feeling of anxiety among them and should it be said that the good relations between Japan and Great Britain have remained affected.

Great Britain is not making light of the possibility that this might bring about misunderstandings between the peoples of Japan and Great Britain. The cardinal desire of the British people is to maintain the spirit of harmony and cooperation which has been the distinctive feature of Anglo-Japanese relations until the present. I trust and am confident that the Japanese people cherish the same desires. Moreover, this spirit must not be impaired by local and temporary disagreements.

Great Britain modestly believes that she possesses ample ability to completely understand Japan's necessities and motives. Great Britain, like Japan, is a monarchy which is strongly bound by traditions and institutions. Great Britain, like Japan, is an insular nation whose fate it is to develop similarly, both commercially and industrially. Great Britain has looked with admiration upon the advance of Japan along that path.

Moreover, from the standpoint of relations between Japan and Great Britain, regardless of the fact that there has been fair competition, there has always existed in Great Britain, the fundamental conviction that cooperation on vital matters is the predetermined future of both nations.

British policy has been guided by the foregoing convictions and also the trust that the Japanese people are equally aware of vital necessities in the economic life of Great Britain. The prosperous future of Great Britain and the other portions of the British Empire has become very clear recently. It is as if dark clouds are dispersing after the British people have met with adversities and endured sacrifices. Although it is Great Britain's sincere desire that the other nations of the world shall not experience such things as have been mentioned above, it will be futile for the other nations to believe that an individual nation's or the entire world's prosperity can be restored without sacrifice and proper effort.

The necessity for international understanding is the most paramount matter today. For the realization of this, Anglo-Japanese cooperation is indispensable. The British Government is keenly aware of this fact and therefore it has been closely observing the progress of the recent conference in India.

Friendly Sir John Simon

Following the invaluable exchange of opinions between the representatives of the Japanese and Indian Governments, the readjustment of economic relations which comprise the basis for friendly understanding between the two nations will occur. I firmly believe that this will bring about a permanent advantage to the relations between Japan and the British Empire. In order to bring about such propitious results as have been mentioned before, this matter has been referred to an unofficial but authoritative conference being held in Great Britain between the Japanese and British industrialists. This has given rise to some difficulties. Although it has been difficult to obtain compromises on small matters because of local interests, if it is the determination of both nations to cooperate for the common interest there can be no doubt as to the final settlement.

Sir John SIMON has expressed his happiness over your appointment and also over the fact that you have been appointed to a post from which vital steps can be taken to advance understanding between our two peoples and governments and also to bring about closer cooperation.

KONOYE, KIDO and I dined in leisurely fashion and conversed. The conversation was to this effect: "It seems that the general public is already getting tired of the present Cabinet. There doesn't seem to be any sign of regret over the resignation of War Minister ARAKI. Looking at conditions abroad, the atmosphere has turned very much for the better because of his resignation. From this, one can easily tell what an unfavorable impression War Minister ARAKI made on foreign countries. The next thing to do is to bring the young people together. Judging from indications of the present Diet, the lack of sincerity of the political parties has greatly discouraged the public."

Saionji - Harada Memoirs

Chapter 117
(9 February 1934)

Nakajima Resigns

Translated by Miss Mawako Yanamoto

The TAKAUCHI (anti-Emperor) theory of NAKAJIMA, Minister of Commerce and Industry, came up unexpectedly in the Diet, and the atmosphere was becoming increasingly critical. Those at home and abroad were in unity, and the rightist groups severely attacked NAKAJIMA, Minister of Commerce and Industry. The tendency to use this as a tool to overthrow the Cabinet became very obvious. I thought that the outlook was extremely unfavorable.

I departed on the night of the 2nd and went to Okitsu. I met Prince SAIONJI on the morning of the 3rd. I reported on the general situation. During the conversation, Prince SAIONJI said: "I see from the newspapers that the story that a Japanese girl is going to marry into the Ethiopian Imperial family has been given quite a write-up. Isn't there some political background in connection with this? This may not be anything serious, but I still think that a great deal of caution is necessary."

"Long ago, when Hawaii was still independent and was under pressure from America, the Hawaiians approached Japan in the hope that they might be able to do something with Japan's power. Finally, Marquis OKUMA, who was Foreign Minister at that time, dispatched the warship Naniwa from Japan. (At that time, the Captain was Admiral TOGO, and Admiral KATO, Kanji, was on board as Rear Admiral.) Then when they wanted to call back the warship, they couldn't get it back, and a lot of barnacles got stuck on the ship's bottom."

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"At that time, I was in Europe. Then Prince ITO also came to Europe. I said to Prince ITO: 'A Japanese warship has been sent to Hawaii, and they are having difficulties in calling it back. If we become further involved, it will be unfavorable from an international standpoint. If Japan becomes a sacrifice for Hawaii and an unfavorable situation results in our relationship with America or with Europe, it would be extremely disadvantageous to the nation. How about your telling Foreign Minister OKUMA to call back the warship as soon as possible?' I urged Prince ITO vigorously. Prince ITO immediately cautioned Marquis OKUMA. Foreign Minister OKUMA used Prince ITO's caution as a good excuse and withdrew the warship from Hawaii. It was a very good thing that the matter ended without Japan getting further involved. Later on, Marquis OKUMA expressed his deep gratitude to Prince ITO."

I told Prince SAIONJI about the fact that Prince KONOYE desired to go to America after the Diet session was over to attend the graduation of his son who was completing high school and entering college. I had secretly relayed Prince KONOYE's plan to the Prime Minister and the Foreign Minister. I thought that it would be extremely regrettable if they were thinking of sending someone to America and secured someone else, not knowing that Prince KONOYE had such a plan. Therefore I told the Prime Minister and Foreign Minister for the sake of reference. Both were very glad to hear this and said: "If there is such a chance, we would like Prince KONOYE to go to America by all means, and talk to the President and other prominent persons." I told them:

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"As far as I am concerned, I believe this should be kept absolutely confidential. If this news should get out, there may be interference, and I think that dealings with the Army and Navy would be very annoying. Therefore, I am keeping it very secret."

Prince SAIONJI was very happy to hear this story. He cautioned: "That offers a very good opportunity. However, a great deal of preparation is necessary in connection with it. There is also need to have a very good linguist accompany him." I stated: "I shall tell the Foreign Minister about your advice when I return." I then returned to Tokyo.

On the fifth, I told the Prime Minister and the Foreign Minister about the Ethiopian matter just for reference, and I also gave them facts in connection with Prince KONOME's trip to America. During the Foreign Minister's conversation, he stated: "This is very confidential. The fact is that the War Minister has gradually begun to understand matters very well. Some time ago, the War Minister said to me in confidence: 'I have my own ideas, but there are many influences from here and there, and I have a very difficult time.' Generally speaking, War Minister HAYASHI is a good man with common sense."

On the sixth and seventh, there continued to be a fierce attack on NAKAJIMA, Minister of Commerce and Industry, in both the House of Peers and the House of Representatives. The attacks of Baron KIKUCHI against the TAKAUJI theory, and Viscount MINAMOTO's attack in the House of Peers following that, drew sympathy to NAKAJIMA, Minister of Commerce and Industry. Their

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interpellatory attack was on so low a level that the atmosphere in the House of Peers against the Minister of Commerce and Industry eased up. Baron KIKUCHI was incited by the Nihon Shimbun, a rightist group which was made up of his followers, and other rightist organizations. The original draft of Baron KIKUCHI's attack on NAKAJIMA, was prepared by the Kokuhon-sha and given to him. When he got up on the stand, his emotions ran away with him, and he said many things that were not in the draft. Therefore, it swerved from the main point of the interpellation, and the Diet members thought it discreditable. Incited by a group in the Seiyukai and members of the Kokuhon-sha, there was a movement on the part of Prince ICHIO, Baron KIKUCHI, Viscount MIMUROTO, and others, to submit a resolution.

The general trend of the Kenkyu-kai and the Kosei-kai of the House of Peers is not toward approval of a resolution. However, they do not have any backbone, and if they are intimidated, a resolution might be passed. In any event, this is a very harassing problem. A merger of the rightist groups outside of the Diet is the most serious factor in the general situation this time. On the one hand, it has been publicized that there are various movements in the Army. There are indications that rightist groups will become more active in demonstration movements. Finally, at noon on the 9th, NAKAJIMA secretly expressed his intention to the Prime Minister saying: "I do not want to cause you any more trouble. I want to resign."

I met the Chief Secretary of the Cabinet. The Chief Secretary said: "The outlook is very bad. I think that

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it would be best if the Minister of Commerce and Industry sacrificed himself and resigned in order to clear the atmosphere. However, the Prime Minister can't very well say that. If there is no one else to do it, shall I tell him?" Apparently, the Chief Secretary of the Cabinet didn't know at that time what NAKAJIMA, Minister of Commerce and Industry, had said in secret to the Premier.

Although he had made such a statement, the Minister of Commerce and Industry continued to attend a sectional meeting of the Privy Council. The Prime Minister said: "Unless I receive his resignation, I cannot decide on future arrangements. However, if it is true that he is going to resign, we must think of someone to take his place." He consulted the Chief Secretary of the Cabinet about 2:00 P.M. They decided that MATSUMOTO, Joji, would be the most suitable choice.

When NAKAJIMA said: "I want to resign," the Prime Minister inquired: "Whom do you think would be a good choice as your successor?" He replied: "Dr. MATSUMOTO." By coincidence, the ideas of the Prime Minister and NAKAJIMA, concurred. He immediately gave orders to the Chief Secretary of the Cabinet to phone Dr. MATSUMOTO to come to Tokyo. The Doctor said: "I shall be waiting at the office," and he waited at the office. About 4:00 P.M., NAKAJIMA submitted his resignation. Dr. MATSUMOTO was immediately called to the Prime Minister's private residence. The Prime Minister said: "Please make a special effort on this occasion." The Doctor replied: "It will put me in a very awkward position, but it is unavoidable." He consented. The Prime Minister imme-

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diately went to the Palace about 5 P.M. and reported to the Emperor in private. The Chief Secretary of the Cabinet phoned me around 6:30 and said that Baron NAKAJIMA had resigned and that Dr. MATSUMOTO was taking his place.